

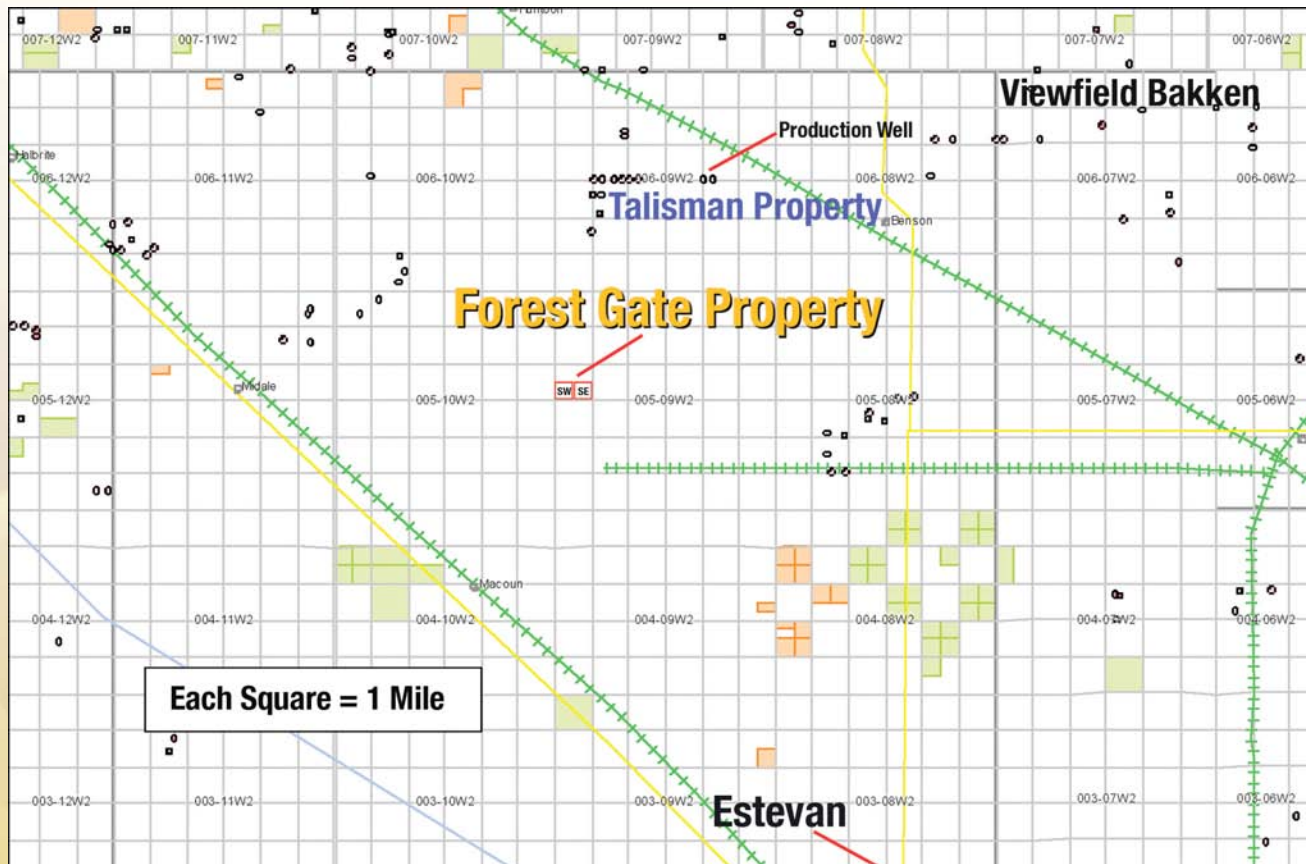
# Saskatchewan Bakken Oil Opportunity

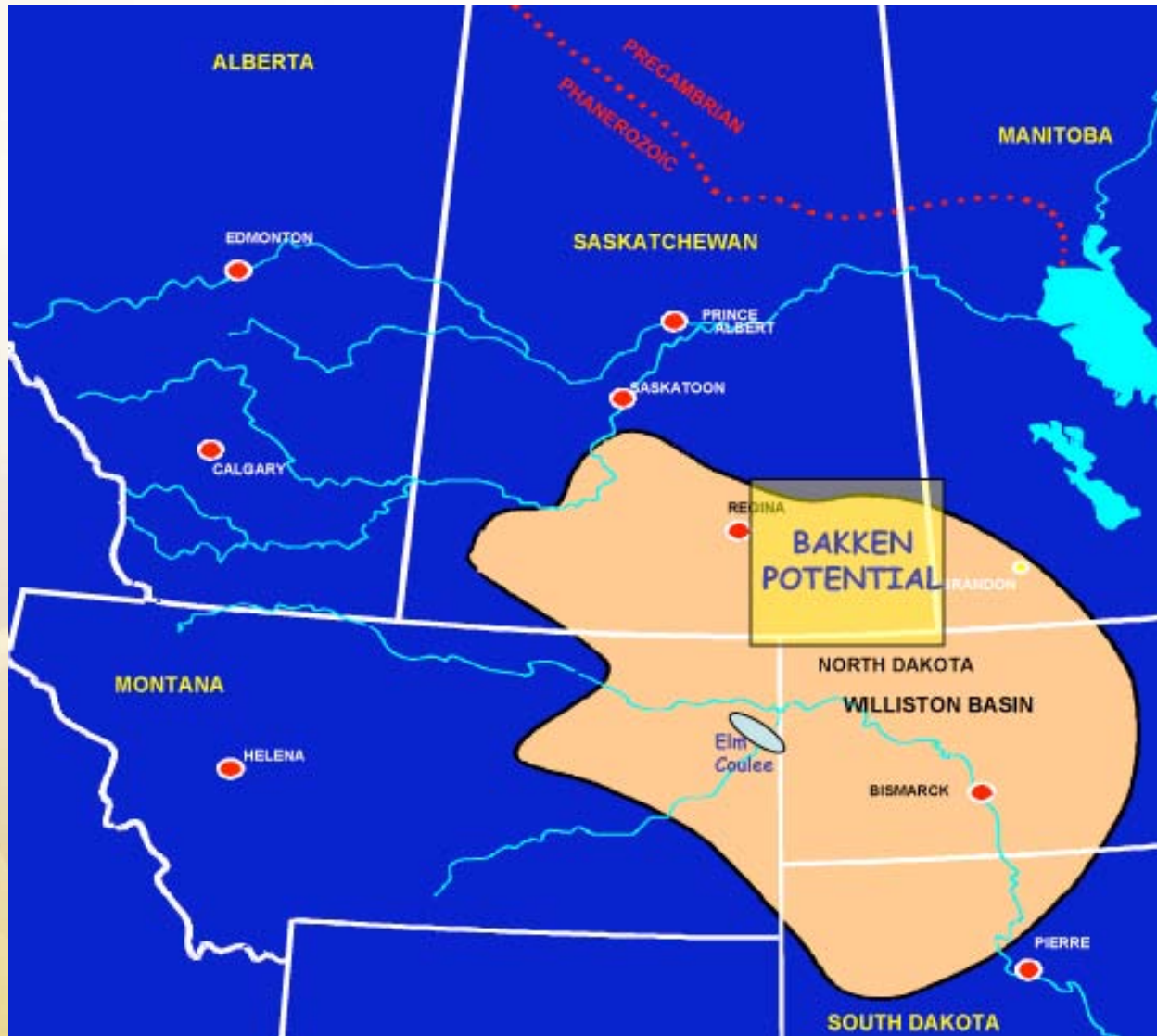


## Estevan, South East Saskatchewan



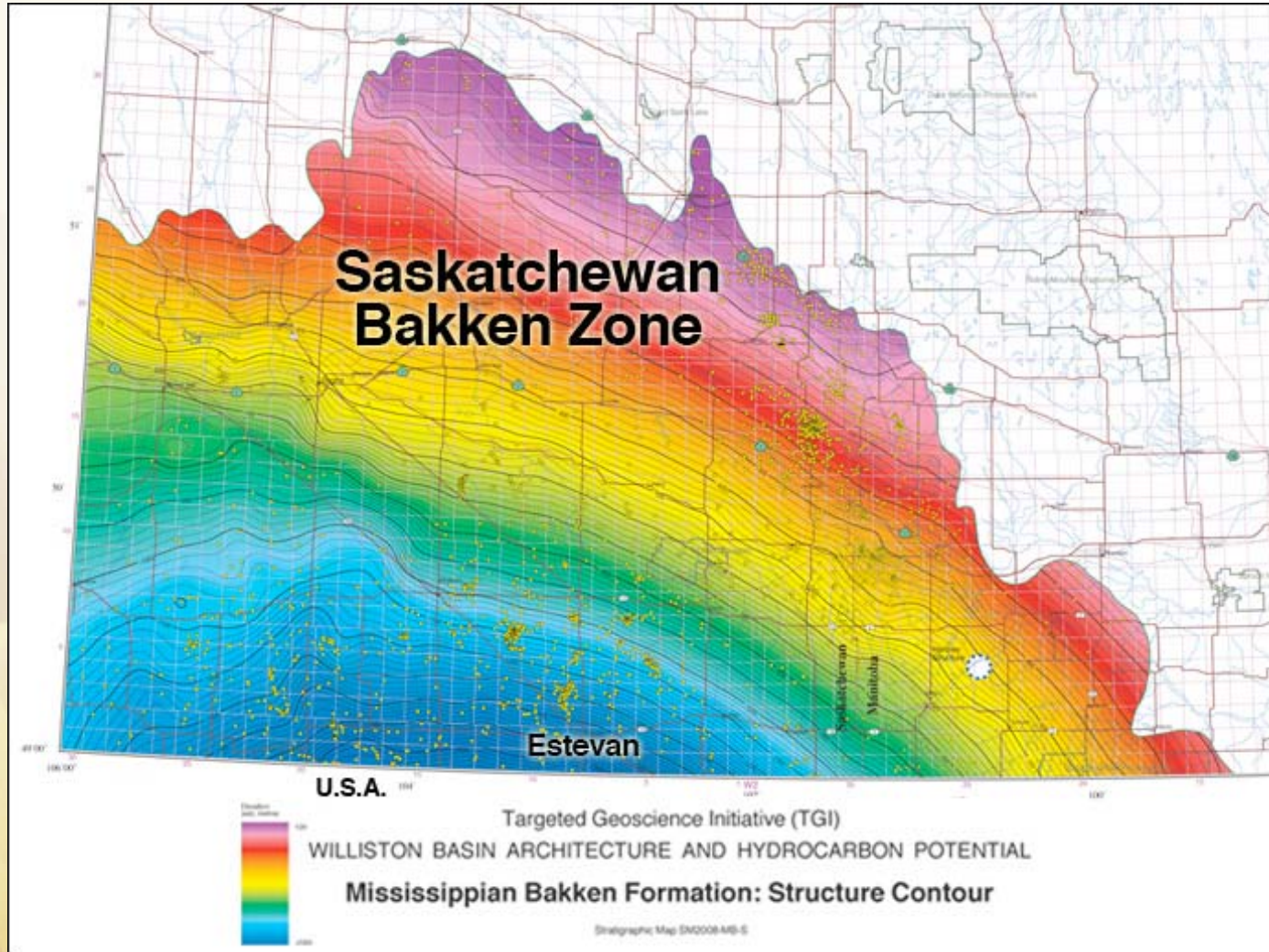
## New Property Location 2 x $\pi$ (Quarter) sections (Total of 320 acres):





## Bakken Potential in Saskatchewan

- Saskatchewan could be sitting on 25 billion to 100 billion barrels of sweet, light crude oil in the Bakken formation in the southeast part of the province, according to industry and government estimates.
- By comparison, the heavy oil resource in west-central Saskatchewan, which is considered to have great potential for future production, is estimated to be 25 billion barrels of oil in place.



## What is the Bakken?

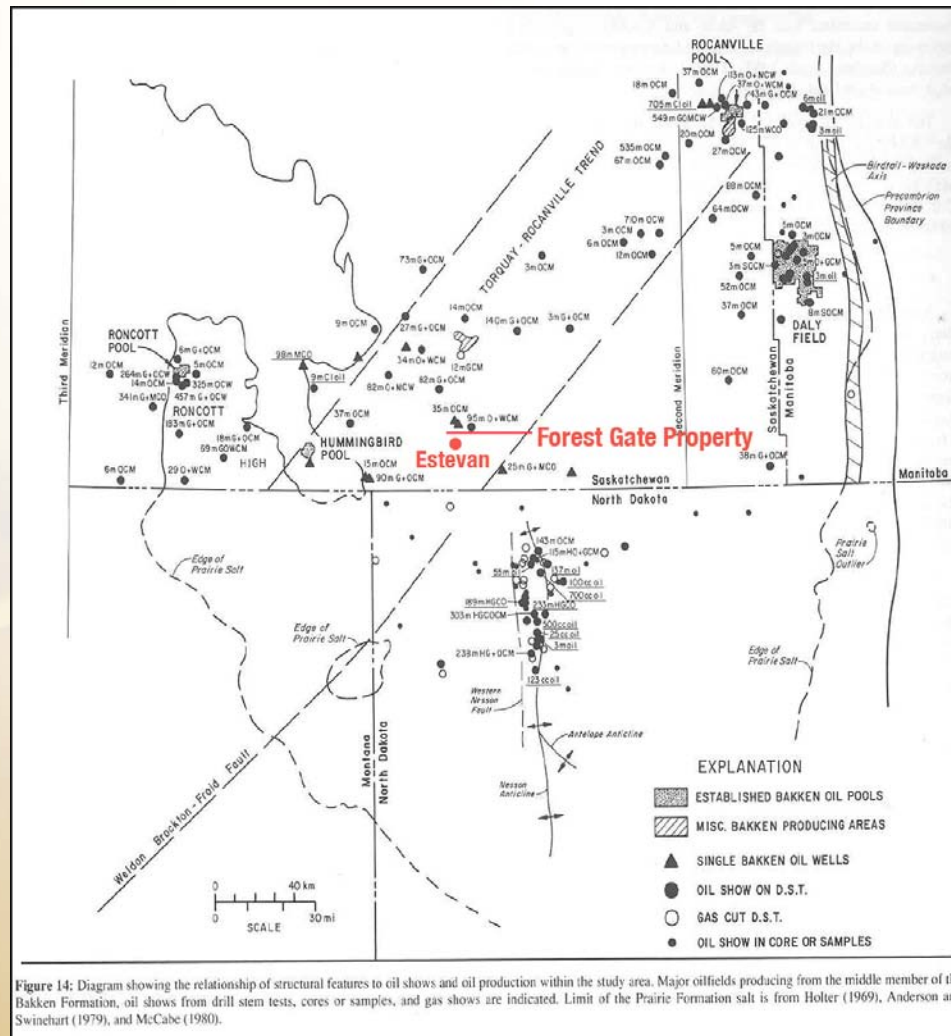
- The Bakken is a geological formation of siltstone and sandstone about 300 metres below the Mississippian formation, where most Saskatchewan light oil production comes from.
- Bakken wells tend to be highly productive (200 barrels a day or more), producing sweet, light crude oil with 41 degree gravity, basically the highest grade of crude oil you can find anywhere.
- The quality of the oil is excellent: liquid and free of water, sulphur and other impurities.

## Geography and History of Bakken Oil

- The Bakken Formation is a 350 million-year-old underground layer of rock that occurs in much of the Williston Basin, a vaguely heart-shaped warp in the otherwise flat prairies on the U.S.-Canada border.
- It was discovered in 1953 by a geologist named J.W. Nordquist and named after Henry Bakken, owner of the Montana farm where Nordquist first drilled.
- While relatively new in Canada, Bakken exploration has been underway in the U.S. since 2000 and has increased dramatically in recent years. According to the U.S. Geological Survey, the Bakken formation could contain a mind-boggling 413 billion barrels of oil in place.

## Estimated Scope of Bakken in Saskatchewan

- An estimated 25 per cent of the Williston Basin, which covers some 200,000 square miles (518,000 square kilometres) is located in Saskatchewan.
- Based on that simple arithmetic, the estimate of Bakken oil in the province could range anywhere from 25 billion barrels to 100 billion barrels of oil in place.
- That compares with 125 billion barrels at the massive Ghawar field in Saudi Arabia, 7.8 billion at Alberta's Pembina Cardium and 21.4 billion for the entire U.S. reserves, not including the Bakken.



## Current Bakken Production in Saskatchewan

- As recently as 2004, production was 278,540 barrels; last year, 2007, nudging up against five million barrels - the exact figure was 4,965,000 barrels.
- Approximately 300 companies operating in Saskatchewan.
- Large and mid-sized companies still account for most of the production and drilling activity.
- Top 20 oil companies account for 80% of total oil production.
- Top 20 gas companies account for 90% of total gas production.

A New Chapter Begins...

